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TO RUEHC/SECSTATE WASHDC IMMEDIATE 9098
INFO RHEHNSC/NATIONAL SECURITY COUNCIL WASHDC IMMEDIATE
RUEHBR/AMEMBASSY BRASILIA PRIORITY 0245
RUEHRI/AMCONSUL RIO DE JANEIRO PRIORITY 9103

UNCLAS SAO PAULO 000213

SIPDIS

STATE INR/R/MR; IIP/R/MR; WHA/PD

DEPT PASS USTR

USDOC 4322/MAC/OLAC/JAFEE

E.O. 12958: N/A

TAGS: KMDR OPRC OIIP XM XR XF BR

SUBJECT: Media Reaction Sao Paulo- After the frenzy, Obama accelerates History, Exorbitant privileges 04-07-2009

Media Reaction: Global Economy: G-20 summit readout; financial market crisis; Sao Paulo

April 7, 2009

Title- After the frenzy

Editorial in liberal Folha de S. Paulo (4-7) states: "One of the most difficult tasks that the group of the 20 major economies of the planet has committed to is the fight against so called tax havens....The first way to try to reach the proposed goal is through political coercion....It is necessary....to formulate a regulation able to shed light over the myriad of innovative transactions created in the last decades....The White House plan, sent to the U.S. Congress, foresees obligatory recording of funds, disclosure of information on levels of indebtednessand adequate measures to require guarantees in financial operations, for instance. Those are basic rules, to which major banks are subject to. Nevertheless, they were ignored in the stages of the [pre-crisis] financial frenzy."

Title- Obama accelerates History

Main editorial in center-right O Estado de S. Paulo (4-7) says: "The time of international relations has accelerated....[and] the reasons for that are evident. The first is the radical change in the U.S. attitude adopted by President Barack Obama and accentuated by the financial crisis made in the U.S. It changed the conventional patterns of the unsustainable U.S. hegemony and intensified the effects of the new power configuration in the world, which resulted with the ascension of major emerging economies, beginning with China and Brazil. The other reason for the acceleration of the pace of international policy also relates to the crisis. The economic retraction warned governments of major countries of the imperative of opening new multilateral initiatives in an environment more prone to understanding them [in comparison] to old divergences."

Title- Exorbitant privileges

Op-ed in business oriented Valor Econmico (4-7) by FGV [the Gertulio Vargas Foundation] professor and director and former Sao Paulo State Finance Secretary Yoshiaki Nakano notes: "The truth in facts is that the current financial crisis had as its causes the excessive expansion of credit and liquidity in the U.S., a country that issues the currency of the international reserve, and with this its disorganized international payment system....The G20 summit has a very important historical meaning, because is the acknowledgment of China and other nation's emerging and for now on, international economic issues will have to be addressed by a larger group....[But] even with the financial crisis and excesses that the Fed and Treasury are being obliged to make, the dollar will continue to reign."

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